Proposal to set up new Industries/Small Scale Industries in various States

982. SHRI N.R. GOVINDRAJAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are contemplating any scheme to set up new industries/Small Scale Industries in districts of various States;

(b) if so, the details of such industries that are likely to be set up during the current year, State-wise; and

(c) the total amount to be provided for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) Under the liberalized Industrial Policy, decision to set up industry depends upon the commercial judgement of the entrepreneur which, in turn, is also based on the initiatives taken by the State Government by way of providing basic infrastructural facilities and other incentives. Industrial Development is primarily the rsponsibility of the concerned State Government. The Central Government supports the efforts by providing support/incentive under its various Schemes, particularly for development of industrially disadvantageous areas.

Threat of ban on indian imports by Bangladesh

983. SHRI TARIQ ANWAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Bangladesh has threatened a ban on Indian imports;

(b) if so, the reasons therefor;

(c) whether there will be loss of hundreds of million of dollars of foreign trade earnings, if the ban is imposed; and

(d) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir. In September, 2004, while addressing the inaugural Session of "India-Bangladesh Dialogue

on Young Journalists", organised by the Bangladesh Enterprise Institute (BEI) in Dhaka, the Bangladesh Foreign Minister said that "if Dhaka wanted establishing a win-win situation, we can end India's US$ 3 billion trade by issuing a Statutory Regulatory Order (SRO) on all Indian goods entering Bangladesh". However, Bangladesh Government has not formally or informally conveyed any imposition of ban on imports from India, nevertheless, it has imposed several restrictions on import of Indian goods into Bangladesh. Some of the restrictions are as follows:—

a. **Measures restricting import of yarn through landports**—From 9.3.2002, Bangladesh has banned import of yarn through land ports from India with an objective of protecting local spinning mills and check smuggling. This has forced Indian exporters to export via sea route or by air which not only adds to the cost but, more importantly, has taken away the lead time advantage that India has been enjoying over the years. In addition, Bangladesh offers 15% subsidy to the exporters of knitted apparel who use locally spun cotton yarn, thereby making foreign origin yarn uncompetitive.

b. **Ban on import of sugar through land ports**—Bangladesh has imposed ban on import of sugar through all land ports. We have requested the Bangladesh side to relax the ban at least for sugar exports by public sector undertakings of the Central/State Governments in India.

c. **Ban on import of Indian parent stock chicks into Bangladesh**—Bangladesh has imposed a ban on parent chicks from India, along with some other Asian countries, ostensibly to avert an outbreak of avian flu in Bangladesh, despite the fact that India has been declared free from this virus by international agencies such as OIE and WHO. The ban has been imposed on the basis of tendentious local media reports inspired by vested interests.

d. **Mandatory testing requirements**—It has come to the High Commission's notice that Bangladesh custom authorities have been insisting on testing of fresh fruits such as oranges for radioactivity content. Due to this requirement, the fresh fruit exporters of North Eastern States of India are considerably harassed since they have to send the samples to Kolkata for testing.

e. **Khamarbari Certificate**—In addition, Bangladeshi importers of Indian potato have to obtain Khamarbari Certificate from Bangladesh

authorities. Indian exporters have complained that Bangladesh authorities are not even accepting the applications for certification.

f. **Fish and milk powder** are banned for import from all land ports.

(b) The reasons for such a statement by Bangladesh Foreign Minister perhaps, are because of huge trade surplus in favour of India. The following table shows the import and export figures of bilateral trade between India and Bangladesh for the last four years:—

(Value In US$ Million)

Year	India's Exports To Bangladesh	India's Imports from Bangladesh	Total Trade
2000-2001	872.98	73.87	946.85
2001-2002	1002.18	59.12	1061.30
2002-2003	1176.00	62.05	1238.24
2003-2004	1740.75	77.63	1818.38
2004-2005	1586.18	54.88	1641.06

(Source: DGCI&S, Kolkata)

(c) Yes, Sir.

(d) These issues have been repeatedly taken up through demarches by the High Commission as well as during the meetings of the India-Bangladesh Joint Working Group on Trade. Nevertheless, the non-tariff barriers continue to exist. The issues pertaining to these non-tariff barriers will be, *inter alia*, raised by the Indian side in the forthcoming Joint Working Group on Trade to be held in Dhaka on August 1-2, 2005.

Proposals received for setting up industries

984. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details and number of proposals received by the Ministry for setting up of industries in the country particularly in Maharashtra; and